



## **Minutes**

**general meeting of**

**Van Lanschot Kempfen NV**

**held on Thursday, 27 May 2021**

*This document is a translation of the Dutch original and is provided as a courtesy only. In the event of any disparities, the Dutch version will prevail. No rights can be derived from the translated document.*

## 1. Opening

Mr Frans Blom acted as **chair** of the meeting.

The **chair** opened the meeting at 2.00 pm and welcomed everyone.

The **chair** explained that it had been decided to hold an entirely virtual meeting this year due to the coronavirus. The **chair** emphasised that the shareholders and depositary receipt holders were attending this meeting virtually and not physically.

The **chair** explained that all shareholders and depositary receipt holders who had registered in time could participate virtually in the meeting. They could follow the meeting online, ask questions using a chat function, and cast their votes online. Others could also follow the meeting through a live webcast on Van Lanschot Kempen's website. The **chair** stressed that it was not possible to ask questions or vote online through this webcast.

The **chair** stated that the shareholders and depositary receipt holders who had registered in time for this meeting could also ask questions before the meeting.

The **chair** noted that questions had been received from the Dutch Association of Investors for Sustainable Development ('VBDO'), Mr Rienks and the Dutch Association of Stockholders ('VEB'). The questions related, with the exception of one question, to the 2020 annual report and these questions would be taken after the clarification of agenda item 2. One question related to the 2020 Remuneration Report and would therefore be dealt with after the explanation of agenda item 3. The **chair** reiterated that shareholders who had registered could also ask questions during this meeting using the chat function. The **chair** asked shareholders and depositary receipt holders who wished to use this option to ask their questions as soon as possible because there was a delay in the live connection.

The **chair** made several housekeeping announcements.

The **chair** confirmed the presence of the following people in the room with him: Bernadette Langius, chair of the Remuneration Committee; Karl Guha, chair of the Management Board; Constant Korthout, the Chief Financial and Risk Officer; and Mr Meiss, the company secretary and secretary of this meeting. The other Supervisory Board and Management Board members followed the meeting through the live connection.

The **chair** noted that Erik van Houwelingen, member of the Executive Board of Van Lanschot Kempen, was also present in the room in connection with agenda item 8(b): the notice of the Supervisory Board's intention to appoint Erik van Houwelingen as a Management Board member. Mr Van Adrichem on behalf of PricewaterhouseCoopers Accountants NV ('PwC'), the external auditor; and Ms Snijder-Kuipers, candidate civil-law notary at De Brauw Blackstone Westbroek NV, deputising for Mr Groffen, civil-law notary at De Brauw Blackstone Westbroek, were also in attendance.

The **chair** stated that he had asked the notary to draw up the minutes in the form of a notarial record in connection with agenda item 7 and that a copy of the record with an

English translation would be published on the website.

The **chair** confirmed that the shareholders and depositary receipt holders had been given convening notices in accordance with the law and the articles of association. The meeting was convened by an announcement on Van Lanschot Kempen's website. This announcement was posted on the website on 15 April 2021. The agenda with the explanatory notes, all accompanying documents, and the procedure for participating in this meeting were published at the same time. The 2020 Annual Report was published on Van Lanschot Kempen's website on 25 February 2021. The **chair** announced that this report had also been available for inspection at Van Lanschot Kempen's offices at Beethovenstraat 300, Amsterdam since 15 April 2021. The **chair** noted that the meeting could adopt valid resolutions and that the shareholders and depositary receipt holders had not submitted proposals for consideration at the general meeting.

The **chair** stated that Van Lanschot Kempen's total issued share capital on the registration date (29 April 2021) was €41,361,668, divided into shares of one euro each. He also confirmed that each share represents one vote and that no votes could be cast on 490,542 shares at the meeting because Van Lanschot Kempen itself held the depositary receipts for them on the registration date.

The **chair** noted that 99.99% of the total issued share capital entitled to vote had registered for the meeting. This meant that a maximum of 40,869,125 votes could be cast at the meeting.

The **chair** reported that depositary receipt holders and shareholders had been given the option to give voting instructions to an independent third party, IQ EQ Financial Services BV, or to the company secretary before the meeting. A voting instruction for this meeting was given for 14,459,074 votes, i.e. 35.38% of the votes that could be cast.

The **chair** confirmed that these voting instructions had been incorporated in the electronic voting system. It was possible for registered shareholders and depositary receipt holders to vote on all agenda items during the entire meeting.

The **chair** informed those present that voting was open for all agenda items and that they could vote on all those items until the last voting item had been dealt with. He confirmed that the voting results would therefore be announced at the end of the meeting.

## **2. 2020 Annual Report**

### **2a Report by the Supervisory Board**

The **chair** referred to pages 71 to 78 of the 2020 Annual Report for the report by the Supervisory Board. He explained that 2020 had been an exceptional year dominated by the pandemic. The restrictive measures imposed by Covid-19 had a major impact on contacts with clients and on how Van Lanschot Kempen's employees could and still must do their work. Most employees worked mostly from home in 2020 and this demanded much

resilience from them. He noted that he was proud the organisation had been able to maintain its high level of service to its clients despite the pandemic.

The **chair** continued by saying that the chosen wealth management strategy is leading to continued growth with a high net inflow of assets under management, both in Private Banking and Asset Management, and a large number of transactions at Corporate Finance. The completion of the acquisition of Hof Hoorneman Bankiers was another important step in Van Lanschot Kempen's growth strategy. He described this as a great effort, for which he wanted to thank those involved. The integration is expected to be completed by the end of 2021.

The **chair** explained that the exceptional market conditions that arose after the Covid-19 outbreak in the first quarter of 2020 resulted in a substantial loss in the structured product activities. The cost-saving measures announced at the start of the year in response to the virus outbreak led to lower operating costs. The net result amounted to €49,800,000. Van Lanschot Kempen's capital position remained strong. Van Lanschot Kempen always tries to optimise its capital position and that is one reason why the merger between Van Lanschot Kempen and Van Lanschot Kempen Wealth Management NV was on the meeting agenda.

On behalf of the Supervisory Board, the **chair** thanked all stakeholders – all clients, in particular – for their trust in Van Lanschot Kempen. He also expressed his special thanks to the employees and Executive Board members for their flexibility and dedication during an exceptional year.

## 2b Management Report of the Management Board for 2020

The **chair** gave the floor to Mr Guha, chair of the Management Board, to discuss this agenda item.

**Mr Guha** made the following statement:

Thank you, Chairman. Good afternoon ladies and gentlemen, I am not about to break tradition and start speaking in Dutch. I will stick to English and say a few words. This is my last annual general meeting, not the last time that I have an opportunity to speak to you, but the last annual general meeting. There will be of course an extraordinary general meeting later on in the year. If you allow me the opportunity, I would like to reflect a little bit on the last eight years. It has certainly been an honour and a privilege to have been in this position and to serve this company and serve our clients, work with my colleagues and it is a period which has been very meaningful for me in multiple different ways.

The first thing that I want to stress is the element of continuity in our strategy. We made a very clear choice of what we want to be in 2013 and we have executed that strategy all the way through in every element that we promised we would do. Today as a net result we do have a very focused wealth management house with very defined merchant banking activities linked to that wealth management. Our goal as we set out then, was the preservation and creation of wealth for our clients in a sustainable way and with a certain return that we said we would provide to our shareholders and a great working environment

for our employees. We have achieved a lot during the last eight years. Just a quick look at some things that might be of interest to you. First in terms of the numbers; if I look at the Core Tier 1 ratio, which is one of the measures that is used for the strength of the company on a like for like basis, when we started this journey with my colleagues, we were at 9.3% and today we are almost at 24%, so that is a very significant improvement. But what we are specifically proud of is the fact that we did not take one single cent from the government or the tax payer or indeed from our shareholders. We have done this on the basis of everything we had and worked through it.

The second is I think in 2012, at the beginning at 2013 we announced one of the biggest losses we ever had in our history. Today we have a very wealthy and a healthy company, that is capable of providing sustainable returns. Despite the shock of the market volatility in March 2020 the underlying profitability and performance remains very strong. If you look at our growth in assets under management or client assets, that has grown very meaningfully in the same period. It has grown from about €40,000,000,000,- to almost €117,000,000,000,- in terms of overall client assets during that period of time. We have been able to hold at flat the expenses during that period of time. We still have to work towards our goal of an efficiency ratio of 72%. Behind the number of keeping the resources flat, there has been a relentless drive to reduce costs during this period of time. And we have reduced costs in the tune of €70,000,000,- to €80,000,000,- of the underlying. While the basis remained, we have absorbed all of the additional costs that have come, whether they are from regulatory reasons, like the resolution fund, or other investments in IT or absorbing acquisitions along the way. Now the numbers are only part of the story, but the real story is always human and the human story has been one of profound transformation for us in terms of who we are and what we are and what we hope to mean to all of you as stakeholders but specifically for our clients and our shareholders and for our employees. In that context I think these stories are never the story of any one individual. The success is always the story of - not even that of the team that I have been very privileged to lead in the Raad van Bestuur - but the story of my colleagues in the house, in the firm. We have worked very hard and there has been plenty of sweat, sometimes even tears but also a lot of joy in terms of what we have worked towards achieving. Strategically we remain committed to our goal and objective. Continuity is very important. The team that remains in place is very strong. As you know, I have announced that I will step down towards the end of this year. My successor will come later this year and more about him will follow during the extraordinary general meeting.

I would like to take this opportunity to say that we are proud of where we are. We are a house that we can justifiably be proud of. We do not want to rest on our laurels but work very hard. I think it is at this moment appropriate that I thank some of our shareholders who have been a great support throughout this period. Furthermore I would like to thank the analysts for their coverage of us over these years. I would also like to thank our Supervisory Board for being there for us through good times and bad times and through ups and downs, in your counsel, in your challenges. Jeanine Helthuis will step down today at the end of her eight year term, thank you very much for being there, through our journey. Thank you very much.

**Mr Guha** gave the floor to Mr Korthout for a further discussion of this agenda item.

**Mr Korthout** explained the 2020 annual figures using several slides that were displayed on the screen. He began with the overall picture for 2020 and then explained some of the details. The net profit for 2020 was almost €50,000,000. This was driven by a 2% increase in commission income and a simultaneous 13% decrease in interest income. He explained this in more detail later in the meeting.

During the year, there was an exceptional focus on costs because of the Covid-19 crisis that broke out last year. Costs were ultimately reduced by 3%. A 13% increase in client assets and assets under management was achieved in 2020 due to strong inflows at the Private Bank and the Asset Manager. Mr **Korthout** spoke about the acquisition that Van Lanschot Kempen made last year and the partnership that had been entered into. The acquisition of Hof Hoorneman Bankiers adds €2,000,000 to the client assets. At the start of this year, Van Lanschot Kempen received formal approval for the acquisition and the integration of Hof Hoorneman within Van Lanschot Kempen is now well underway. Clients, employees and all investment funds are expected to be integrated within Van Lanschot Kempen before the end of this year. Before this acquisition, the partnership with a.s.r. bank was completed and €157,000,000 in assets under management, €51,000,000 in savings deposits and 7,000 clients were transferred to Evi Van Lanschot as a result. Mr **Korthout** referred to a statement of changes in client assets and assets under management in the period from the end of 2016 to the end of 2020. The left side of this statement showed the changes in client assets; the right side showed the changes in the assets under management. The left side showed an increase of 66% in this period. The right side even showed an 81% increase. By the end of 2020, client assets totalled €115,000,000.

The net result for 2020 was almost €50,000,000. In 2019, the net result was €80,000,000. A large decrease can be seen in interest income and what is known as 'other income', mainly related to the structured products. He would return hereafter to both aspects. The addition to the loan loss provision contributed negatively to the decrease in the result. This is mainly because there was a release of loan loss provisions in 2019. In 2020, there was a very limited addition to the loan loss provisions. These decreases were compensated by an increase in commission income and good cost control in 2020.

The next slide showed the changes in the cost level over the past years. Despite acquisitions and rising costs for laws and regulations, Van Lanschot Kempen managed to keep its costs almost unchanged in absolute euros. There was even a further decrease in costs in 2020 because of several measures taken in early April 2020 in response to the coronavirus crisis. The costs that could be influenced in the short term were greatly reduced. Some of these measures obviously had a more temporary effect. The effect is clearly visible in the 2020 figures.

Mr **Korthout** explained the developments at the Private Bank. The sheet that he presented showed the financial result of the Private Bank on the left and the changes in client assets on the right. The slight fall in the result was mainly because the Private Bank felt the pressure on the interest margin the most. But at the same time the Private Bank also benefited from the cost savings. The Private Bank's client assets increased by over 11%. At €1,400,000,000 the net inflow of assets under management in 2020 was worthy of mention. It was an historic record for the Private Bank and evidence of its promising figures. The sheet

presented also showed the acquisition of Hof Hoorneman Bankiers, with €2,000,000 assets under management in the penultimate column.

Asset Management's result increased in 2020. This was mainly due to a further increase in the assets under management and partly due to cost control. A strong inflow could also be seen here, especially in the fiduciary management line of Asset Management. Some outflows could simultaneously be seen from the investment strategies, particularly the Credit Fund and the High Dividend Fund. Van Lanschot Kempen was able to increase the Asset Manager's total client assets by around 14% in 2020.

Evi van Lanschot's financial result almost reached break-even last year with a small loss remaining. The right side of the sheet showed the changes in Evi van Lanschot's client assets. A slight increase was visible with an inflow of assets under management and some outflow of savings.

It was important for the Merchant Bank that the capital markets recovered reasonably quickly from the coronavirus crisis and became active again. As a result, the Merchant Bank's net result for 2020 was slightly lower, but commission income – visible on the right side of the sheet – was at almost the same level as 2019. As 2019 was viewed as a great year, 2020 was certainly also a successful year for the Merchant Bank.

The interest margin is still under pressure. Last year saw a further fall in interest rates, also reflected in the figures on the slide. While some special elements were explained on the slide, the interest margin is under pressure even if you correct for them. This was clearly visible last year. Like other banks, Van Lanschot Kempen has now started charging negative interest on credit balances. This will become more visible in this item in the profit and loss account (P&L) in the coming period.

Mr **Korthout** explained the structured products, which were also briefly discussed at last year's shareholders' meeting. Structured products are included under the 'financial transactions' result and are products that Van Lanschot Kempen creates in principle for its Private Banking clients. These products are both created and managed internally. They are managed on the basis of derivatives that are hedged on a macro basis, i.e. on a portfolio basis. Because of market conditions in March 2020 – the volatility and illiquidity in the market – Van Lanschot Kempen found it impossible to hedge the structured products adequately and in time. This led to losses at that moment. Van Lanschot Kempen decided to continue hedging in a much narrower range from March 2020. Over the entire year, this resulted in a gross loss of €35,000,000 – a combination of the loss in the first quarter and the cost of hedging the structured products for the rest of the year. Van Lanschot Kempen still believes that structured products are an excellent fit with its wealth management proposition and intends to continue offering these products to its clients. However, it has been decided that all new structured products that Van Lanschot Kempen creates will be hedged differently from now on and thus be kept on the balance sheet with a much lower risk profile. As the clients who bought this product received exactly the product and pay-off they had bought, it was Van Lanschot Kempen that was most affected by this effect last year.



Despite the Covid pandemic, there were hardly any loan loss provisions in 2020; these provisions are at a very low level. Van Lanschot Kempen added €1,900,000 to the loan loss provisions. It is also clear that the dismantling of the Corporate Bank, which has taken around eight years, is almost complete. On balance, Van Lanschot Kempen currently has little or no exposure to sectors that might be affected by Covid. More than 75% of the loan portfolio now consists of residential mortgages. Mr **Korthout** referred to a sheet where this could be seen on the left. He concluded by saying that there had been a very small addition to the loan loss provision, on balance, in 2020.

Van Lanschot Kempen started 2020 with a capital ratio of 23.8% and ended the year with a ratio of 24.3%. The presented sheet showed the main movements in the capital ratio, which were in fact small movements. It is noteworthy that the acquisition of Hof Hoorneman Bankiers led to a small capital loss. And some shifts that occurred in the balance sheet or loan portfolio were also visible.

Mr **Korthout** stated that although the dividend would be discussed later in the meeting, he wanted to say something at that point about the dividend policy. As is well known, the European Central Bank (ECB) and De Nederlandsche Bank (DNB) decided to put the brake on dividend payments by banks after the coronavirus broke out. Van Lanschot Kempen's 2019 dividend of €1.45 per share, approved in the shareholders' meeting last year, is still on the balance sheet. That amount is no longer in the presented capital ratios, it is parked on the balance sheet until Van Lanschot Kempen can pay it. The regulator currently allows only a limited payout for the 2020 dividend. For Van Lanschot Kempen, that amounts to €0.20 per share. A proposal was made at the meeting to approve a dividend of €0.70 per share: €0.20 to be paid in the coming weeks with the remaining €0.50 parked on the balance sheet in the same way as the €1.45 of 2019. This amount will be held in escrow until the regulators allow dividend payouts again, which is known will not be before October 2021.

Van Lanschot Kempen has set financial targets for 2025, which were shown on the sheet. The target capital ratio is 15–17% and Van Lanschot Kempen is well above that. The target dividend payout has been set at 50–70% of the net result attributable to shareholders. With the proposal made at the meeting, Van Lanschot Kempen has a payout of 65%. There are also targets for the efficiency ratio of 70–72% and for the Return on Common Equity Tier 1 of 10–12%. The sheet showed that because of everything that happened in 2020, Van Lanschot Kempen was unable to meet these last two targets last year. Mr **Korthout** ended his presentation of the 2020 annual figures here.

Mr **Korthout** also commented on the start of 2021. Van Lanschot Kempen issued a trading update on this subject a month ago. Overall, the start to the year was good. The inflow from Private Clients in the first quarter was tremendously strong again. On the institutional side, there was some outflow, particularly at two institutional clients, driven in part by external circumstances. As in 2020, the loan portfolio has been robust, with even a limited release of loan loss provisions in the first quarter of 2021. The capital ratio is still strong at 23.6%, although it excludes the impact of acquiring Mercier Vanderlinden. This acquisition was announced at the beginning of April. Mercier Vanderlinden is a Belgian wealth manager with assets under management of €3,400,000,000. Van Lanschot Kempen has operated in the Belgian market itself for many years with assets under management of around



€5,000,000,000. Combined with Mercier Vanderlinden, this puts Van Lanschot Kempen among the larger parties in the Belgian market. Van Lanschot Kempen is therefore very pleased with this acquisition. The relevant slide showed the map of Belgium and how this acquisition is complementary in many ways. In terms of client structure, product range and geography, it brings Van Lanschot Kempen into areas where it does not yet operate. This acquisition is expected to bring Van Lanschot a lot in terms of synergy, clients, products and revenue.

To sum up, 2020 was both a successful and a special year, given the circumstances. Commercially, Van Lanschot Kempen now has the wind in its sails. Its business model proved to be robust in 2020. And it is good to see that Van Lanschot Kempen can also make good strides in relation to inorganic growth.

The **chair** thanked Mr Guha and Mr Korthout for their explanations and gave the general meeting the opportunity to ask questions about the presentations and the previous agenda items. He stated that several questions regarding this agenda item had been received prior to the meeting. Mr Korthout answered the first questions from VBDO.

The **chair** read out VBDO's first question: Financial institutions have an impact on biodiversity and ecosystems through their investments and loans. VBDO sees the financial sector is fortunately paying more and more attention to this important theme. Examples include the Finance for Biodiversity Pledge and Partnership for Biodiversity Accounting Financials initiatives. VBDO notes that while Van Lanschot Kempen signed up for the latter initiative in March 2021, this theme has received scant attention so far in both the annual report and the sustainability supplement. Can Van Lanschot Kempen undertake to pay more attention to the theme of biodiversity in the coming year, for example by analysing the exposure to biodiversity risks and how these risks are managed?

**Mr Korthout** answered this question as follows: Like VBDO, Van Lanschot Kempen sees growing attention in the financial sector and among regulators for the themes of biodiversity and conservation of ecosystems. The increased attention mainly concerns the biodiversity risks for the financial sector – both physical and transitional risks. That VBDO thinks that Van Lanschot Kempen still pays scant attention to biodiversity and the related risks is not entirely correct. While VBDO is right in saying there is not much to read about this topic in Van Lanschot Kempen's annual report, it has been an important topic in Van Lanschot Kempen's sustainability policy for years. This sustainability policy is posted on Van Lanschot Kempen's websites and in its publications for clients. Examples include:

A. As an investor of client assets, Van Lanschot Kempen has held numerous discussions with companies about a variety of biodiversity-related topics in recent years. These topics include oil palm companies (concerning the loss of the tropical rainforest and other vulnerable ecosystems), energy companies (concerning the impact of their dams on people and nature and of CO<sub>2</sub> emissions by coal-fired power stations, among others), oil and mining companies (concerning irreparable damage to soil, water and nature), producers of herbicides that are harmful to people and nature. The list goes on. All these discussions are part of Van Lanschot Kempen's ESG policy, which dates back to 2008.

B. Biodiversity is a relatively low risk in Van Lanschot Kempen's lending operations, mainly because Van Lanschot Kempen does not have any outstanding loans in the 'sensitive' sectors. Lending focuses mainly on Dutch residential mortgages and loans to Van Lanschot Kempen's target groups, such as business professionals, executives and healthcare professionals. But if there is reason to discuss biodiversity with borrowers, we do so. The basis for this engagement approach has been recorded in Van Lanschot Kempen's sustainable lending policy since 2011. **Mr Korthout** noted that the VBDO has asked Van Lanschot Kempen to pay more attention to biodiversity risks, for example through a further risk analysis. Van Lanschot Kempen is happy to do this. This is also why Van Lanschot Kempen signed the Partnership for Biodiversity Accounting Financials last year. **Mr Korthout** commented that the biodiversity risks of the companies invested in could be properly analysed only once sufficient harmonised company data are available. To date, this has not been achieved across the board, although Van Lanschot Kempen does see many improvement initiatives.

The **chair** read out VBDO's second question: In November last year, Kempen was one of the first asset managers to set a goal of achieving Net Zero emissions by 2050. A month later, it joined the Net Zero Asset Managers Initiative whose aim is global warming of no higher than one and a half degrees. VBDO is very pleased with these ambitions of Kempen, partly because most of Van Lanschot Kempen's emissions will be covered by it. Kempen says it will no longer invest in companies that derive all their revenue from coal as from 2022. Besides exclusions, how does Kempen commit to another important element for achieving the Paris Climate Agreement, namely investments that contribute towards climate change solutions?

**Mr Korthout** answered this question as follows: Our climate policy, which you have just mentioned, indeed aims for net zero emissions by 2050. It also contains targets for 2025 and 2030. Excluding coal mining is only one instrument of this policy. Van Lanschot Kempen also applies 'ESG integration', for example. This means that Van Lanschot Kempen considers the climate risks of companies and their climate policies in its investment choices. And, as a third instrument of Van Lanschot Kempen's climate policy, Van Lanschot Kempen acts as an active shareholder. Van Lanschot Kempen thus enters into dialogue with companies and asks them to take extra climate-related steps. Van Lanschot Kempen does this not only with the companies in the Kempen funds but will also do this increasingly through the investment funds of other providers that it selects. Van Lanschot Kempen also develops climate-related sector dialogues for oil and gas companies, utility companies and real estate companies in the Kempen funds. A fourth instrument in Van Lanschot Kempen's climate policy is investing in green bonds. These are bonds for which the issuing institution uses the funds raised entirely for green projects. Lastly, **Mr Korthout** referred to the Kempen Global Impact Pool, which focuses entirely on making a positive impact in line with the United Nations' Sustainable Development Goals. To sum up: Van Lanschot Kempen's climate policy comprises many more instruments than just exclusions.

The **chair** read out VBDO's third question: VBDO notes, also in relation to 2020, that Van Lanschot Kempen's diversity and inclusion policy is limited to diversity in the organisation's management. A company-wide and all-encompassing vision of diversity and inclusion, including and actively promoting other forms of diversity besides gender, is lacking. VBDO wishes to emphasise that a policy, such as Van Lanschot Kempen has laid down for other

themes, is essential for promoting and embedding the organisation's ambitions. What concrete steps can VBDO expect in 2021 towards further embedding of diversity and inclusion in the organisation?

**Mr Korthout** answered this question as follows: Attracting and retaining a diverse workforce will continue to be Van Lanschot Kempen's focus in 2021. Van Lanschot Kempen strives for a fully inclusive workforce, in terms of ethnic background, religion, sexual orientation, gender and so on. Van Lanschot Kempen measures the gender balance. It aims for the group of managers reporting directly to the Management Board and the level below to consist of at least 30% women and 30% men. By the end of 2020, 21% of employees in management positions were women. Van Lanschot Kempen is taking steps to further increase diversity. By 1 January 2021, at the level reporting directly to the Management Board, 40% belonged to the group of 'next gen' employees (under 45 years of age), compared with 25% the previous year. Van Lanschot Kempen will continue its inclusive labour market approach in 2021. As from this year, Van Lanschot Kempen will facilitate inclusion and diversity discussions in management teams to set specific inflow and outflow ambitions. With these discussions, Van Lanschot Kempen wants to boost awareness of the importance of this topic. It also wants to use these discussions to support the management teams in formulating clear action plans that will contribute to developing inclusion and diversity further at Van Lanschot Kempen.

The **chair** read out VBDO's fourth question: VBDO has taken note of the arrival of Mr Edixhoven as Van Lanschot Kempen's new CEO. We fully expect, as with his current employer, that Mr Edixhoven will be committed to diversity and equal pay. Van Lanschot Kempen conducted its first gender pay gap analysis last year. What lessons has Van Lanschot Kempen drawn from this first analysis?

**Mr Korthout** answered this question as follows: Van Lanschot Kempen aims for equal pay for its employees, meaning that remuneration is based on merit and related to the job level. Van Lanschot Kempen periodically investigates this for all categories of employees. If necessary, Van Lanschot Kempen adjusts the remuneration. In 2020, Van Lanschot Kempen analysed the gender pay gap at different levels of the organisation. Van Lanschot Kempen identified pay differences at senior management level and in specific areas of the broader workforce. These differences could be due to differences in age, work experience and so on. In 2021, Van Lanschot Kempen will conduct further analyses to determine the reasons for these differences and to see whether any are unexplained.

The **chair** stated that the Mr Rienks's questions would be answered next.

The **chair** read out Mr Rienks's first question: Negative interest rates mean that increasingly more assets are moving from savings accounts to investments. This is favourable for Van Lanschot. Another consequence is that Van Lanschot no longer earns anything from savings accounts and is saying goodbye to clients who only save and do not wish to invest. Does Van Lanschot have solutions for wealthier clients who do not wish to put all of their money into investments? Isn't there an attractive market in that? To make a 1% positive return with almost no risk and not have to pay negative interest? And if interest rates rise above zero again, will Van Lanschot try to attract savings? If you can get 2% interest on your money

again, the flow of money into investments could be greatly reduced. How is Van Lanschot preparing for this? Or does Van Lanschot's forecasts show that negative interest rates will continue for many years?

**Mr Korthout** answered this question as follows: Van Lanschot Kempen is a specialised wealth manager. It offers its clients investment solutions and savings opportunities, among other things. Because of the current interest rate climate, Van Lanschot Kempen is charging a negative interest rate on savings from €250,000. Van Lanschot Kempen sees investing as an attractive option for its clients. Within investments, Van Lanschot Kempen offers clients a variety of options, ranging from solutions with lower risk and correspondingly lower returns to those with higher risk and possibly higher returns. Van Lanschot Kempen's liquidity position is very comfortable at present. This is reflected in the liquidity coverage ratio at the end of 2020: 177.4%. Interest rates have been very low for a long time and Van Lanschot Kempen does not expect them to rise sharply anytime soon.

The **chair** read out Mr Rienks's second question: After a.s.r. bank's investment clients, Hof Hoorneman's clients are now also coming to Van Lanschot. And in a few years' time, they will probably be followed by Mercier Vanderlinden's clients in Belgium. Are there more such acquisition candidates in the Netherlands and Belgium? Mr. Rienks believes there are very few of them. How will you accelerate growth if you cannot make acquisitions? You would have to entice potential clients to move their assets from RABO or ABN AMRO to Van Lanschot. How would you go about it? Will you succeed sufficiently in doing this in the coming years? Mr Rienks fears this will not be possible. You were satisfied with retaining three-quarters of the former a.s.r. bank clients' invested capital. Five months after the acquisition, what is the situation regarding the retention of Hof Hoorneman's clients?

**Mr Korthout** answered this question as follows: Both organic and inorganic growth are part of Van Lanschot Kempen's strategy. Cooperating with and acquiring a.s.r. bank, Hof Hoorneman and Mercier Vanderlinden, among others, are examples of inorganic growth in recent years. Van Lanschot Kempen would like to do more of this type of acquisitions and believes there are still opportunities for this in the Netherlands and Belgium. Besides inorganic growth, Van Lanschot Kempen has also shown good organic growth in recent years. In 2020, the total net inflow into assets under management was as much as €6.9 billion, of which €1.4 billion was in Private Banking. Van Lanschot is now in the middle of the integration process for Hof Hoorneman's clients. It will use the whole of 2021 to integrate employees, clients and funds. The employees who wanted to join Van Lanschot Kempen are now all officially Van Lanschot Kempen employees. Discussions with clients are ongoing and client integration is expected in the second half of this year.

The **chair** read out Mr Rienks's third question: Given the continued extremely low interest rates, you have extended the deadline by which you want to achieve your financial targets. That deadline is now in 2025 instead of 2023. What level of interest do you need to achieve these targets? How much higher than the current level? Would it not be wise to set reduced targets for 2023 that are achievable at the current extremely low interest rate level? Mr Rienks is in favour of this approach. The target efficiency ratio of 70–72% seems unambitious to me. Surely it should be possible to reduce this ratio towards 65%? Why not?

**Mr Korthout** answered this question as follows: In early 2021, Van Lanschot Kempen announced that it would change the financial target period from 2023 to 2025. This was done because of the current circumstances regarding COVID-19 and the continued low interest rate environment. While interest income forms part of Van Lanschot Kempen's total income, it is not the bulk of it. With interest income remaining unchanged and higher commission income, Van Lanschot Kempen is confident it will achieve its financial targets. The target efficiency ratio of 70–72% reflects both Van Lanschot Kempen's profile as a wealth manager and the economic environment in which Van Lanschot Kempen operates.

The **chair** explained that the questions submitted by VEB would be answered next. These questions were sent in English and would be read out in English. The questions would be answered in Dutch.

The **chair** read out VEB's first question: The 2020 financial result is largely impacted by losses on structured products. Are structured products still considered essential to Van Lanschot Kempen's client offering, and how does the company assess the risk-return-tradeoff of these activities? During the 2020 AGM Van Lanschot Kempen stated it was reviewing the extent to which it wanted to keep the risks of structured products on its balance sheet. Could Van Lanschot Kempen share the outcome of that review with its shareholders? Could the Board explain why it takes up to three years to de-risk the position in structured products? In 2019 Van Lanschot Kempen reported errors in the pricing models for structured products. In 2020 fundamental choices in the hedging approach led to yet another risk event. Are both cases indicative of a failing risk and control framework?

**Mr Korthout** answered this question as follows: Structured products are still an important part of Van Lanschot Kempen's wealth management proposition for private banking clients. Van Lanschot Kempen thus considers it important to continue offering these products. In 2020, an analysis was made of the various ways in which Van Lanschot Kempen can offer structured products to clients. Following this analysis, it was decided that Van Lanschot Kempen would continue to create its own structured products, but that the underlying risks of new products would be hedged almost entirely from now on. When reviewing the structured products model, it was decided to gradually switch to an operational model by which Van Lanschot Kempen issues bonds without incurring any material market risk. In practice, this means that new bonds are hedged at an external party for the full market risk until the bond matures. This is called back-to-back hedging. The legacy portfolio will be reduced to zero in the coming years. Van Lanschot Kempen has also imposed stricter limits and extended the risk framework to better account for scenarios such as the rare one seen in March 2020. By taking three years to wind down the portfolio, Van Lanschot Kempen can optimise the risk-return profile. Winding it down quicker would entail higher one-off costs. Winding it down slower would mean that Van Lanschot Kempen would have to actively manage the portfolio risks over a longer period, which would also entail additional costs. The speed and impact of what happened in March 2020 were such that Van Lanschot Kempen could not adjust its positions accordingly. And the markets where Van Lanschot Kempen hedges these products were sometimes completely closed. Based on the events of March 2020, Van Lanschot Kempen adjusted the risk framework and imposed more and stricter restrictions on the activities related to structured products. As the 2019 event is not related to the 2020 event, Van Lanschot Kempen does not see this as a pattern or a structural

problem. Since 2019, Van Lanschot Kempen has performed several audits within the activities related to structured products and not identified any other material issues.

The **chair** read out VEB's second question: What was (are) the reason(s) for Frans Blom stepping down as a member of the Risk Committee in June 2020 while Van Lanschot Kempen's CEO Karl Guha started attending these meetings?

The **chair** answered this question as follows: Mr Duron stepped down as member and chair of the Supervisory Board on 28 May 2020 and Ms Bergstein was appointed as member of the Supervisory Board. The composition of the committees is evaluated annually, and the Supervisory Board has decided, given the change in its own composition, to adjust the composition of the committees in some respects. The chair has become chair of the Selection and Appointment Committee and a member of the Audit and Compliance Committee. In relation to that the chair has stepped down as a member of the Remuneration Committee and the Risk Committee. Karl Guha attended the Risk Committee meetings in 2020, as in previous years. This was explicitly mentioned in the 2020 annual report, but not in previous annual reports.

The **chair** read out VEB's third question: Is it accurate to conclude that the prudential supervisor disallowed Van Lanschot Kempen to continue using various internally developed models for capital calculation (for three retail portfolios and two non-retail portfolio models)? If so, what are the reasons for this disapproval and does Van Lanschot Kempen (still) strive to use the internal model for these portfolios in the future?

**Mr Korthout** answered this question as follows: The requirements for internally developed models have increased significantly in recent years. The main example is the TRIM investigations at the major banks. This resulted in a TRIM manual setting out the new requirements. These requirements are also used to look at the internally developed models of small and medium-sized banks. These requirements include that the portfolio must contain enough default observations and be homogeneous. Without these properties, it is not possible to create a TRIM-compliant model. Many of Van Lanschot Kempen's portfolios have very few defaults and therefore too few observations to produce a good model. Van Lanschot Kempen's mortgage portfolio is homogeneous and has sufficient defaults to model because of its size. After its own analysis, Van Lanschot Kempen has decided to retain the internally developed model for mortgages only. The regulator can accept our analysis. The transition to the Standardised Approach for the remaining portfolios has had a very limited impact of 0.08% on the CET1 ratio.

The **chair** read out VEB's fourth question: For discretionary mandates - both Private Banking and Evi - the three-year average return reveals a sharp drop in relative performance in 2020. Could Van Lanschot Kempen explain the main causes? Is there a relation with structured products?

**Mr Korthout** answered this question as follows: There is no relationship with the structured product activities. The structured products are not included in the discretionary portfolios of Van Lanschot Kempen's clients. It is also worth noting that it is Van Lanschot Kempen that incurred the losses on the structured products in 2020. These products did what they were



supposed to do for Van Lanschot Kempen's clients. Van Lanschot Kempen's relative performance is below the benchmark because it was more cautious during the market recovery in the second quarter of 2020. The absolute performance of these portfolios generated a positive return for Van Lanschot Kempen's clients.

The **chair** read out VEB's fifth question: As part of a collaboration with ASR Bank around 7,000 clients were transferred - free of charge - to Evi. Could Van Lanschot Kempen give an indication of the number of customers that stayed with EVI and what was the total value of their investment (AUM) at 2020 year-end?

**Mr Korthout** answered this question as follows: In January 2020, Van Lanschot Kempen announced its partnership with a.s.r. bank. In May, 7,000 a.s.r. bank clients with €157,000,000 in assets under management and €51,000,000 in savings were transferred. These assets under management and savings were then included in the total and Van Lanschot Kempen does not monitor them separately. Van Lanschot Kempen has not experienced any notable outflow.

The **chair** read out VEB's sixth question: The margins on asset management exhibit a stable but downward path. What can Van Lanschot Kempen do to reverse this trend?

**Mr Korthout** answered this question as follows: Asset Management comprises fiduciary management and investment strategies. In general, the margin on fiduciary management is low and the margin on investment strategies is higher. When we receive large fiduciary mandates, the average margin within Asset Management will fall. The decreasing margin in the Asset Management segment is therefore a mixed effect. For the coming years, Van Lanschot Kempen aims to ensure that its asset under management base develops well, while paying attention to the margins on the different types of assets.

The **chair** read out VEB's seventh question: Van Lanschot Kempen speaks of integrated wealth management that combines improved client service with cost efficiency. However, the mid-term KPI targets do not seem to reflect an improvement in efficiency. Could Van Lanschot Kempen explain the discrepancy between its words on improving efficiency levels and the actual targets?

**Mr Korthout** answered this question as follows: The target efficiency ratio for 2025 is 70–72%. The efficiency ratios in recent years have absorbed the acquisitions. In 2020, the loss in structured product activities affected the ratio. Van Lanschot Kempen is working on improving the efficiency ratio and paying attention to this target.

The **chair** read out VEB's eighth question: The acceleration of growth via Mergers and Acquisitions is one of Van Lanschot Kempen's five strategic pillars. Recently a partnership with Mercier Vanderlinden was announced. How should shareholders assess the success of this partnership over the next three years. Can Van Lanschot Kempen elaborate on the expected synergies and the level of disclosure on post-acquisition milestones?

**Mr Korthout** answered this question as follows: In April, Van Lanschot Kempen announced the acquisition of a 70% interest in Mercier Vanderlinden, to be gradually increased to 100%



by the end of 2025. The transaction is subject to regulatory approval and is expected to be completed in the third quarter of 2021. Van Lanschot Kempen expects synergies from this cooperation in the area of revenues, including offering securities-backed loans and investment solutions to Mercier Vanderlinden's clients. Van Lanschot Kempen also wants to offer Mercier Vanderlinden's investment funds to Van Lanschot Belgium's clients. Van Lanschot Kempen moreover expects that this partnership will lead to greater visibility and brand awareness for Van Lanschot Belgium and for Mercier Vanderlinden, which will help in attracting new clients.

The **chair** thanked Mr Korthout for his answers and noted that this dealt with the questions raised before the meeting. He noted that there was a follow-up question from VBDO's Mr Van Kuijk. The question was: "Thank you for answering our questions so clearly. VBDO has a follow-up question regarding your answer to question 3 about diversity. Mr Korthout talked about specific ambitions set by Van Lanschot Kempen. Can you undertake to report on these specific ambitions in the 2021 annual report, preferably with regard to different forms of diversity?"

**Mr Korthout** replied that he would take this suggestion on board but could not yet make a firm commitment. Van Lanschot Kempen will at least report again on all the steps it has taken in this area in its 2021 annual report.

The **chair** thanked Mr Guha and Mr Korthout for their contribution.

### **3. 2020 Remuneration Report**

The **chair** gave the floor to Ms Langius, chair of the Remuneration Committee to explain the Remuneration Report for the 2020 financial year.

**Ms Langius** explained that the 2020 Remuneration Report was available on Van Lanschot Kempen's website and included in pages 80–88 of the 2020 Annual Report. At the 2020 general meeting, the 2019 Remuneration Report was approved by a majority of 93.7% of votes cast in an advisory capacity. Van Lanschot Kempen also did not receive any specific comments on the 2019 Remuneration Report. The 2020 Remuneration Report has been prepared in line with the statutory requirements. The European Commission's non-binding guidelines on the standardised presentation of the remuneration report have also been taken into account while drafting it. Although these guidelines are not yet final, Van Lanschot Kempen has drawn up the 2020 Remuneration Report in the spirit of these guidelines as much as possible.

**Ms Langius** continued by explaining the application of the remuneration policy for the Management Board and the Supervisory Board in 2020. The remuneration paid to the members of the Management Board and the members of the Supervisory Board is based on the remuneration policy for these respective boards that the general meeting adopted on 28 May 2020. The structure of the remuneration policy for the Management Board and the Supervisory Board did not change in 2020. The remuneration of the Management Board members consists of fixed remuneration only. A significant part of this remuneration is

granted in shares with a five-year lock-up period combined with share ownership guidelines. This remuneration structure ensures a strong focus on the company's long-term continuity.

**Ms Langius** explained that the Management Board members decided in 2020 to waive 10% of the cash part of their salary from 1 May to the end of 2020. They did this on their own initiative because they wanted to set an example for the cost savings made at Van Lanschot Kempen in 2020 in light of the Covid-19 pandemic. The Supervisory Board greatly appreciated this Management Board decision. In line with the remuneration policy for the Management Board approved by the general meeting, the Supervisory Board decided to apply indexation to the Management Board members' fixed remuneration. This indexation took place from 1 July 2020 – in line with the other employees – and amounted to 1.6%. The indexation is capped at the derived consumer price index for 2019 and granted in cash. The remuneration for the Supervisory Board was in line with the remuneration policy for the Supervisory Board. This is a fixed remuneration entirely in cash.

**Ms Langius** noted that as from the 2019 financial year, the Remuneration Report must be submitted annually to the general meeting for an advisory vote. Van Lanschot Kempen is therefore submitting the 2020 Remuneration Report to the general meeting for approval.

The **chair** thanked Ms Langius for her explanation and gave the general meeting the opportunity to ask questions about this agenda item and the previous agenda items. He added that a question about this agenda item had been received from VEB. VEB's question was as follows: Are losses from structured products funneled to the variable remuneration pool as well, with the purpose to create alignment between company performance and employee compensation?

**Ms Langius** answered this question as follows: The size of the variable remuneration pool depends on Van Lanschot Kempen's achievement of the financial and non-financial performance criteria. The available pool is allocated based on the performance of the various business lines and the individual performance of the employees. A lower result is reflected in the size of the total variable remuneration pool.

The **chair** repeated his previous comment that votes on the relevant agenda items could be cast throughout the meeting and that voting would close after the last item on the agenda. He confirmed that the results of the vote would be shown for each agenda item at the end of the meeting.

The **chair** announced that another question had been received from VEB, which related to agenda item 2. VEB gave thanks for the questions that had been answered and asked this follow-up question: "Can Van Lanschot Kempen indicate how probable it is that 'de-risking' structured products in the next three years will cause new setbacks?"

**Mr Korthout** replied that he did not consider this probability very high because this portfolio is hedged within a much narrower range. As this portfolio is also rapidly shrinking and being wound down, he does not consider that chance to be great.

#### 4. 2020 Financial Statements

##### 4a Adoption of the 2020 financial statements

The **chair** gave the floor to Mr Van Adrichem of PwC (the external auditor for the 2020 financial year) to briefly explain PwC's work in connection with auditing the financial statements.

**Mr Van Adrichem** introduced himself and stated that, as in previous years, he was the partner with ultimate responsibility for the 2020 annual audit of Van Lanschot Kempen. Mr Van Adrichem explained that PwC had issued an unqualified auditor's report on 24 February 2020 and a limited assurance report on the sustainability information in the Annual Report.

**Mr Van Adrichem** wished to draw attention to several issues from PwC's audit. Covid-19 has had a significant impact on PwC's audit approach. PwC had to do the work from home, meetings with management were held by video, and it had to make the usual visits to the business lines abroad digitally. Because of this different way of working, PwC's teams were continuously challenged regarding the quality of the audit information they received and in properly performing their testing activities on that information. PwC adjusted its materiality because of the bank's lower pre-tax profits and determined that the impact of remote working in the bank did not affect the effectiveness of its internal control environment and IT general controls.

**Mr Van Adrichem** explained that Covid-19 obviously had consequences for valuing assets, starting with the valuation of the loan portfolio. In 2020, Van Lanschot Kempen recorded an additional Covid-19 related impairment on its loan portfolio of €4,900,000 (known as management overlay) besides its normal loan loss provision. This overlay entry was specifically for loans to sectors experiencing additional difficulties, such as hospitality and commercial real estate. PwC assessed this management overlay adjustment in detail with its own economists and experts and through historical analyses, sensitivity analyses and liquidity analyses for each sector. Besides this additional Covid-19 related impairment, PwC obviously also assessed the total loan loss provision and concluded that it is adequate.

A Covid-19 related write-down was recorded on the financial instruments at fair value, specifically on the instruments in Van Lanschot Kempen's structured product desk. A loss of €35,100,000 was recorded on this desk because of the steep decline in market prices in the first half of 2020. The bank has also significantly reduced the risk of possible future losses.

**Mr Van Adrichem** also explained that apart from the impact of Covid-19 on PwC's audit, he wished to pause at PwC's work on compliance with laws and regulations. He stated that a distinction must be made here between laws and regulations that have a direct impact on the financial statements (such as IFRS and tax laws) and laws and regulations that have no direct impact on the financial statements (such as the rules on anti-money laundering, know your client, MiFID and PSD2). The first category is obviously entirely under PwC's control. Although PwC does specific work in the second category to determine whether the bank is complying with important laws and regulations, it does not audit this information.

**Mr Van Adrichem** noted that PwC had determined that the bank's processes, functions and management have the attention of the bank to continue complying with important laws and regulations, including its gatekeeping function. Besides the auditor's report, PwC also issued a limited assurance report on the sustainability information in the integrated annual report. This means that PwC assessed the non-financial information and found it complies with the GRI standard. This sustainability information is important to show the progress the bank is making towards its sustainability targets, including making an impact through investing client assets and by helping to shape a more inclusive society. These are targets that the participants in this meeting and many of the bank's stakeholders regard as extremely important.

**Mr Van Adrichem** concluded his contribution at this point and thanked the participants of the meeting for their attention.

The **chair** thanked Mr Van Adrichem for his explanation and gave the general meeting the opportunity to ask questions about the presentations and the previous agenda items.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

The **chair** explained that this item was on the agenda for voting. He proposed to the meeting to adopt the 2020 financial statements with the result of the vote to follow the last item on the meeting agenda.

#### 4b Adoption of a cash dividend of €0.70 per Class A ordinary shares

The **chair** explained that there was a proposal to adopt a cash dividend of €0.70 on each Class A ordinary share for the 2020 financial year and put this agenda item to the vote. The Management Board, with the Supervisory Board's approval, resolved to add the amount remaining after deducting this dividend from the net profit available to shareholders to the reserves. Based on the number of shares in issue and the number of shares held by the company itself as at 31 December 2020, this amounts to a dividend of €28,800,000 and an addition of €14,300,000 to the reserves. Based on the number of shares in issue as at 31 December 2020 and excluding the shares held by the company itself, this amounts to a payout ratio of 65.1% of the underlying net profit attributable to shareholders. The **chair** referred to pages 67 and 68 of the 2020 Annual Report for more information on the dividend policy.

The **chair** explained that Van Lanschot Kempen was following the recommendation made by the European Central Bank and De Nederlandsche Bank in December 2020 to largely postpone the provision and release of dividends for payment. Of the €0.70 per share, €0.20 will be paid on each share in June 2021. The Management Board and the Supervisory Board believe that the remaining 2020 dividend can be paid to Van Lanschot Kempen's shareholders as soon as the circumstances relating to Covid-19 allow and as long as Van Lanschot Kempen remains in compliance with its stated capital ratio targets. The Management Board and the Supervisory Board will decide when the remaining amount of the dividend relating to the 2020 financial year will be provided and released for payment.

The payment dates for this remaining dividend will be announced as stipulated in Van Lanschot Kempen's articles of association. Because of the recommendation of the European Central Bank and De Nederlandsche Bank, the remaining part of the dividend will not be paid before 30 September 2021. The dividend amount of €0.20 per share will be made payable in cash on Wednesday, 9 June 2021. The ex-dividend date is Tuesday, 1 June 2021 and the record date is Wednesday, 2 June 2021.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function, and that the result of the vote on this agenda items would follow the last item on the meeting agenda.

The **chair** stated that Mr Evers had asked a question about agenda item 3. The question was: "You state that Board members are rewarded in a form of shares to create more involvement with the company. There was also a reward for the employees provided that the profit and the Tier 1 ratio were in line with the target. Do you expect this reward to return, partly also in relation to involvement with Van Lanschot Kempen?"

**Mr Korthout** replied that Van Lanschot Kempen had indeed had a plan for its employees, one or two years ago, under which they were also rewarded in shares based on certain criteria. This plan was stopped at a certain point because another solution was chosen in consultation with the Works Council about the employment conditions. It is unknown yet whether Van Lanschot Kempen will return to this in future. This would have to come from the annual discussions that Van Lanschot Kempen has with the Works Council. Mr Korthout emphasised that Van Lanschot Kempen also has an equity participation plan under which employees can participate in Van Lanschot Kempen shares with their own money, subject to attractive conditions, and that this plan is still active. The **chair** thanked Mr Korthout for this answer. He noted that this question related to an element of employee remuneration and not to the remuneration policy as such.

## **5. Discharge of the Management Board and the Supervisory Board**

### **5a Discharge of the Management Board members from liability for their management in the 2020 financial year.**

The **chair** proposed discharging the persons who had been Management Board members in 2020 from liability for their management in the 2020 financial year. This concerns the management in so far as evident from the financial statements or from information otherwise provided to the general meeting before the adoption of the financial statements. Karl Guha, Constant Korthout, Arjan Huisman and Richard Bruens were Management Board members throughout the 2020 financial year. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

5b Discharge of the Supervisory Board members from liability for their supervision of the management conducted in the 2020 financial year

The **chair** proposed discharging the persons who had been Supervisory Board members in 2020 from liability for their supervision of the management conducted in the 2020 financial year. This concerns supervising the management conducted in so far as evident from the financial statements or from information otherwise provided to the general meeting before the adoption of the financial statements. Frans Blom, Jeanine Helthuis, Bernadette Langius, Maarten Muller, Lex van Overmeire and Manfred Schepers were Supervisory Board members throughout the 2020 financial year. Karin Bergstein was appointed as a Supervisory Board member on 28 May 2020 and Willy Duron stepped down as a Supervisory Board member on that date. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

## 6. Appointment of external auditor

The **chair** explained that PwC was reappointed as Van Lanschot Kempen's external auditor for the 2021 financial year at the general meeting held on 28 May 2020. PwC has been Van Lanschot Kempen's external auditor since the 2016 financial year. As from the 2021 financial year, Mr Van Adrichem will no longer be responsible for the statutory audit at Van Lanschot Kempen, based on the rotation requirements. Mr Segers of PwC will take over this role from Mr Van Adrichem. PwC's performance in the 2020 financial year was evaluated in January 2021.

The evaluation concluded that there were no objections to proposing PwC for reappointment as external auditor. Based on this, the proposal was made to nominate PwC as the external auditor for the 2022 financial year. The evaluation, conclusion and proposal were discussed in the Audit and Compliance Committee's meeting. The Audit and Compliance Committee then recommended to the Supervisory Board that PwC be nominated for reappointment at the general meeting for the 2022 financial year. This recommendation was made independently. The Supervisory Board followed the recommendation and nominated PwC for reappointment as Van Lanschot Kempen's external auditor for the 2022 financial year. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

## 7. Merger between Van Lanschot Kempen NV and Van Lanschot Kempen Wealth Management NV

The **chair** explained that there was a proposal to merge Van Lanschot Kempen (as the company ceasing to exist) with its wholly owned subsidiary Van Lanschot Kempen Wealth Management NV (as the acquiring company). This merger will occur in accordance with the



merger proposal published on 15 April 2021. As from the effective date of the merger, the shares in Van Lanschot Kempen will be cancelled. A share in the capital of Van Lanschot Kempen Wealth Management NV will then be allocated for each Van Lanschot Kempen share. The merger will not affect the depositary receipts for shares, except that as from the effective date of the merger the depositary receipts will represent an interest in Van Lanschot Kempen Wealth Management NV instead of Van Lanschot Kempen. The name of Van Lanschot Kempen Wealth Management NV will be changed to Van Lanschot Kempen once the merger takes effect. According to the **chair**, the merger has no material consequences for the rights of shareholders and depositary receipts holders of shares in Van Lanschot Kempen.

The **chair** explained that the main reason for the merger is to optimise the Van Lanschot Kempen group's capital position. Recent amendments to the Capital Requirements Regulation and Directive (CRR and CRD) allow for AT1 and Tier 1 capital instruments (read Tier 2 here) to count further towards fulfilling Pillar 2 capital requirements, rather than CET1 core capital. It is not possible to take full advantage of that possibility with Van Lanschot Kempen's current capital structure. Since the AT1 and Tier 2 capital instruments are issued by Van Lanschot Kempen Wealth Management NV, the minority interest deduction must be applied. Van Lanschot Kempen cannot currently include these capital instruments in the full principal amount. After the merger, this minority interest deduction no longer applies. This would allow the AT1 and Tier 2 capital instruments to be included to a greater extent to fulfil the capital requirements, thus freeing up a larger proportion of Van Lanschot Kempen's core capital. The intended merger has the additional advantage of simplifying the group structure. And some financial and supervisory reporting requirements will also cease to apply. A further explanation of this agenda item is contained in the Merger Addendum, attached to this agenda as Appendix 1. The Merger Addendum includes the merger proposal, explanatory notes on the merger proposal and a schedule of the amendments in the articles of association after the merger compared to Van Lanschot Kempen's current articles of association.

The **chair** then explained that Van Lanschot Kempen Wealth Management's articles of association after the merger would be identical to Van Lanschot Kempen's current articles of association, subject to some minor technical adjustments. These adjustments are explained in the Merger Addendum. These amendments compared to Van Lanschot Kempen's current articles of association are highlighted and explained in Appendix C to the Merger Addendum. The Supervisory Board and Management Board have requested the shareholders to approve the merger in accordance with the Merger Addendum and its appendices, including the amendments to Van Lanschot Kempen Wealth Management's articles of association that will take effect at the same time as the merger. The **chair** stated for the record that Van Lanschot Kempen would appoint PwC as Van Lanschot Kempen Wealth Management's external auditor, so that PwC would be the external auditor of Van Lanschot Kempen Wealth Management NV, to be called Van Lanschot Kempen NV and listed after the merger.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.



## 8. Composition of the Management Board

### 8a Notice of the intended reappointment of Karl Guha as member and chair of the Management Board

The **chair** explained that Karl Guha had been reappointed as member and chair of the Management Board with effect from 18 May 2017 until the end of the general meeting in 2021. The **chair** noted that Karl Guha's term of office would therefore expire today. The Supervisory Board was pleased to announce the intended reappointment of Karl Guha as member and chair of the Management Board. On 11 January 2021, the Supervisory Board announced that Karl Guha had stated he wishes to step down as chair of Van Lanschot Kempen's Management Board by the end of 2021. The Supervisory Board respects this decision and has been looking for a suitable successor. On 11 May 2021, the Supervisory Board announced its intention to appoint Maarten Edixhoven as chair of the Management Board from 1 October 2021. An extraordinary general meeting will be held to inform the shareholders and depositary receipt holders of this intention.

The **chair** explained that the notice of Karl Guha's intended reappointment was on the agenda for discussion.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

### 8b Notice of the intended appointment of Erik van Houwelingen as a Management Board member

The **chair** explained that the Supervisory Board was pleased to announce the intended appointment of Erik van Houwelingen as a Management Board member. On 16 November 2020, Erik van Houwelingen was appointed as a member of Van Lanschot Kempen's Executive Board and chair of Kempen Capital Management NV's Management Board. Erik van Houwelingen is responsible for Investment Strategies & Solutions. After Erik van Houwelingen's appointment as a Management Board member, the Management Board comprises five members. The Management Board then consists of the chair, the Chief Financial and Risk Officer, the Chief Operating Officer and those responsible for Client Management & Origination and for Investment Strategies & Solutions. This facilitates good management and decision-making across all client groups in the Management Board and a rapid response to changing client needs and changed market conditions. After Erik van Houwelingen's appointment as a Management Board member, the Executive Board will cease to exist, as all members of the Executive Board will then be members of the Management Board.

The **chair** then explained that the Supervisory Board had drawn up a profile for the position for which this notice was being made. This profile is attached as Appendix 2 to this meeting agenda. Erik van Houwelingen has the knowledge and experience listed in the profile. During his career, he has held various senior positions in asset management, including CEO of Aegon Asset Management, member of ABP's Management Board and Head of European Sales at Dimensional Fund Advisors. He has in-depth knowledge of the various aspects of

investing, a strong focus on clients and an ability to play a leading role in client acquisition. The **chair** referred to Erik van Houwelingen's CV, included as Appendix 3 to the agenda, for more information. The Supervisory Board intends to appoint Erik van Houwelingen as a Management Board member after this meeting, until the end of Van Lanschot Kempen's annual general meeting in 2025. De Nederlandsche Bank has agreed to this intended appointment.

The **chair** explained that the Supervisory Board strives for a diverse composition of the Management Board. While the Supervisory Board is aware of diversity in the Management Board in terms of age, background and expertise, the Management Board still consists entirely of men. Gender diversity has the Supervisory Board's attention, both in the Management Board and across the entire organisation, so as to increase the pool of female talent and allow for the appointment of women as Management Board members over time. In accordance with the Corporate Governance Code, the main elements of the contract with Erik van Houwelingen were announced and included in this meeting agenda, to which the **chair** referred. Erik van Houwelingen's remuneration as a Management Board member is in accordance with the Management Board's remuneration policy adopted at the general meeting on 28 May 2020.

The **chair** explained that this item was on the agenda for discussion.

The **chair** gave the floor to Erik van Houwelingen to introduce himself to the shareholders.

**Erik van Houwelingen** gave a brief introduction about himself, talking about the various positions he has held and referring to his experiences in London during his previous position.

The **chair** thanked Erik van Houwelingen for his contribution. The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

## **9. Composition of the Supervisory Board**

### **9a Notice of vacancies and profiles; opportunity to make a recommendation**

The **chair** explained that the terms of office of Jeanine Helthuis, Manfred Schepers and Lex van Overmeire would expire at the end of this general meeting in accordance with the retirement schedule. Individual profiles have been drawn up for the resultant vacancies in the Supervisory Board. These profiles are attached as Appendices 4, 5 and 6 to this meeting agenda. Jeanine Helthuis is not available for reappointment because her second four-year term is ending. Manfred Schepers's and Lex van Overmeire's first terms of office are ending. They are available for reappointment for a second four-year term.

Jeanine Helthuis is one of the two members of the Supervisory Board appointed under the Works Council's enhanced right of recommendation. The Works Council has requested that Bernadette Langius be regarded as one of the Supervisory Board members appointed under the Works Council's enhanced right of recommendation after Jeanine Helthuis steps down.

The **chair** explained that the profile drawn up for the vacancy created by the end of Jeanine Helthuis's term of office shows that the Supervisory Board is looking for a woman who works or lives in Belgium. As the recruitment process for this vacancy has not yet been completed, nobody could be nominated for this vacancy at the meeting. After the entire recruitment and selection process has been completed, a candidate will be nominated to the general meeting for appointment.

The **chair** explained that the general meeting has the right to recommend persons to fill Supervisory Board vacancies. This possibility for the general meeting is described in Article 23, paragraph 2 of Van Lanschot Kempen's articles of association. No written recommendations were received before this meeting. The Supervisory Board offers shareholders the opportunity to recommend a person for appointment as a Supervisory Board member.

The **chair** noted that the meeting had not recommended anyone.

#### 9b Appointment of Manfred Schepers as a Supervisory Board member

The **chair** announced that the Supervisory Board would nominate Manfred Schepers for reappointment by the general meeting. The Supervisory Board believes that Manfred Schepers is a good fit for the profile drawn up for the vacancy. This profile has been published as Appendix 5 to the agenda. Manfred Schepers has broad international experience in banking and extensive knowledge of financial markets. He has the required knowledge and experience in the areas mentioned in the profile. And he has acquired the required competencies in the positions he has held. Manfred Schepers's CV is attached as Appendix 7 to this agenda and includes the information referred to in Article 23, paragraph 4 of Van Lanschot Kempen's articles of association. Manfred Schepers qualifies as an independent supervisory director as defined in best practice provision 2.1.8 of the Corporate Governance Code. Manfred Schepers is chair of the Supervisory Board's Risk Committee and a member of its Audit and Compliance Committee.

The **chair** explained that Manfred Schepers will be appointed for four years and that his second term of office will expire on the day of the annual general meeting in 2025. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

#### 9c Reappointment of Lex van Overmeire as a Supervisory Board member

The **chair** announced that the Supervisory Board would nominate Lex van Overmeire for reappointment by the general meeting. The Supervisory Board believes that Lex van Overmeire is a good fit for the profile drawn up for the vacancy and published as Appendix 6 to the agenda. Lex van Overmeire has gained valuable experience during his career as an auditor at various financial institutions and is an expert in the field of financial reporting. He has the required knowledge and experience in the areas mentioned in the profile. He has acquired the required competencies through his education and the positions he has held.

Lex van Overmeire's CV is attached as Appendix 8 to the agenda and includes the information referred to in Article 23, paragraph 4 of Van Lanschot Kempen's articles of association. Lex van Overmeire qualifies as an independent supervisory director as defined in best practice provision 2.1.8 of the Corporate Governance Code. Lex van Overmeire is chair of the Supervisory Board's Audit and Compliance Committee and a member of its Risk Committee.

The **chair** explained that Lex van Overmeire will be appointed for a four-year term. His second term of office will expire on the day of the annual general meeting in 2025. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

9d Announcement of the vacancy that will arise at the annual general meeting in 2022

The **chair** explained that Maarten Muller's first term of office will end on the day of the annual general meeting in 2022 in accordance with the retirement schedule. LDDM Holding BV has a right of recommendation in respect of the resultant vacancy based on the shareholders' agreement between LDDM Holding BV and Van Lanschot Kempen. The general meeting will have the opportunity to make a recommendation for this Supervisory Board vacancy at the annual general meeting in 2022. The **chair** explained that this item was on the agenda for discussion.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

**10 Granting authorisation to repurchase own shares or depositary receipts for those shares**

The **chair** explained that the current authorisation to repurchase that had been granted to the Management Board would expire in November 2021. For this reason, it was proposed to grant a new repurchasing authorisation to the Management Board. The repurchasing authorisation would be requested for a period of 18 months from the meeting date. The **chair** referred to the verbatim text of the proposal, as set out in the explanatory notes to the agenda, for the precise content of the requested authorisation. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

## 11. Designation of the Management Board as the competent body to (i) issue ordinary shares and (ii) restrict or exclude pre-emptive rights

### 11a Designation of the Management Board as the competent body to issue ordinary shares

The **chair** explained that the Supervisory Board proposed designating the Management Board as the competent body for adopting resolutions to issue Class A ordinary shares for a period of 18 months from the date of this annual general meeting. This proposal also includes the authority to grant rights to subscribe for these shares. The Supervisory Board proposed limiting this authority of the Management Board to 10% of the issued capital on the meeting date. If granted, the designation would replace the one granted by the general meeting in 2020. The **chair** referred to the verbatim text of the proposal as set out in the explanatory notes to the agenda. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

### 11b Designation of the Management Board as the competent body to limit or exclude the pre-emptive right when ordinary shares are issued

The **chair** explained that the Supervisory Board proposed designating the Management Board as the competent body for adopting resolutions to limit or exclude the pre-emptive right when Class A ordinary shares are issued for a period of 18 months from the date of this annual general meeting. This proposal also includes the authority to limit or exclude the pre-emptive when granting rights to subscribe for these shares. This authority is limited to 10% of the issued capital on the meeting date. If granted, the designation would replace the one granted by the general meeting in 2020. The **chair** referred to the verbatim text of the proposal as set out in the explanatory notes to the agenda. The **chair** explained that this item was on the agenda for voting.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

The **chair** noted that this was the last voting item on the agenda. He concluded that the opportunity for the participants of this meeting to vote would then be closed and stated that the results of the vote would be announced at the end of any other business.

## 12. Any other business and closure of meeting

The **chair** requested those who still had a question to ask it then.

The **chair** noted that no questions about this agenda item had been received before the meeting and no questions had been asked using the live chat function.

The **chair** addressed Mr Van Adrichem. He reminded the meeting that because of mandatory rotation, Mr Van Adrichem would be handing over the responsibility for the statutory audit at Van Lanschot Kempen to his colleague Mr Segers. This was therefore the last time that Mr Van Adrichem would attend this meeting in his current capacity. The **chair** thanked Mr Van Adrichem on behalf of the Supervisory Board and the Management Board for the work that he had done for Van Lanschot Kempen.

The **chair** noted that it was Jeanine Helthuis's last meeting in her capacity as a supervisory director. He stated that Jeanine Helthuis had fulfilled her role as supervisory director at Van Lanschot Kempen with great dedication. She was critical, had an eye for detail and always carefully considered the perspective of Van Lanschot Kempen's clients, employees and shareholders. The **chair** thanked her for her work as a supervisory director.

The chair also congratulated Manfred Schepers and Lex van Overmeire on their reappointment as supervisory directors. The **chair** was pleased to reappoint Karl Guha as chair of the Management Board after the meeting. He also welcomed Erik van Houwelingen, who would be appointed to the Management Board after the meeting.

The **chair** announced that voting on the various voting items on the agenda had been completed and the results would be displayed on the screen.

The **chair** then read out the results of each voting item.

The **chair** noted that an advisory vote had been cast in favour of agenda item 3.

The **chair** noted that agenda item 4a had been carried by voting.

The **chair** noted that agenda item 4b had been carried by voting.

The **chair** noted that agenda item 5a had been carried by voting.

The **chair** noted that agenda item 5b had been carried by voting.

The **chair** noted that agenda item 6 had been carried by voting.

The **chair** noted that agenda item 7 had been carried by voting.

The **chair** noted that agenda item 9b had been carried by voting.

The **chair** noted that agenda item 9c had been carried by voting.

The **chair** noted that agenda item 10 had been carried by voting.

The **chair** noted that agenda item 11a had been carried by voting.

The **chair** noted that agenda item 11b had been carried by voting.

The **chair** thanked all participants in the meeting for their interest and contributions to the meeting and then closed the meeting.

---

F.L. Blom, Chair

Date:

---

W. Meiss, Secretary

Date: